
HOUSE BILL No. 1143

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-8.1-3.

Synopsis: Uncollectible delinquent taxes. Indicates that reports from the department of state revenue to the general assembly concerning the amount of delinquent tax liabilities must be in electronic format. Allows the department to exclude from its list of outstanding warrants a warrant that was issued less than 10 years before the date of the list if the department, after consultation with the budget agency, determines that it is probable that the delinquent tax liability is uncollectible. Indicates that a determination that a warrant is uncollectible does not constitute a settlement of the tax due.

Effective: Upon passage.

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January 6, 2005, read first time and referred to Committee on Ways and Means.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1143

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-8.1-3-15 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. Before
3 February 1 of each year, the department shall submit to the general
4 assembly the age and amount of delinquent tax liabilities that the
5 department determines to be uncollectible. **The report must be**
6 **delivered in an electronic format under IC 5-14-6.**

7 SECTION 2. IC 6-8.1-3-16 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) The
9 department shall prepare a list of all outstanding tax warrants for listed
10 taxes each month. The list shall identify each taxpayer liable for a
11 warrant by name, address, amount of tax, and either Social Security
12 number or employer identification number. Unless the department
13 renews the warrant, the department shall exclude from the list a warrant
14 issued more than ten (10) years before the date of the list. **The**
15 **department may exclude from the list a warrant issued less than**
16 **ten (10) years before the date of the list if the department, after**
17 **consultation with the budget agency, determines that it is probable**



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1 **that the delinquent tax liability is uncollectible.** The department shall
 2 certify a copy of the list to the bureau of motor vehicles.

3 (b) The department shall prescribe and furnish tax release forms for
 4 use by tax collecting officials. A tax collecting official who collects
 5 taxes in satisfaction of an outstanding warrant shall issue to the
 6 taxpayers named on the warrant a tax release stating that the tax has
 7 been paid. The department may also issue a tax release:

8 (1) to a taxpayer who has made arrangements satisfactory to the
 9 department for the payment of the tax; or

10 (2) by action of the commissioner under IC 6-8.1-8-2(k).

11 (c) The department may not issue or renew:

12 (1) a certificate under IC 6-2.5-8;

13 (2) a license under IC 6-6-1.1 or IC 6-6-2.5; or

14 (3) a permit under IC 6-6-4.1;

15 to a taxpayer whose name appears on the most recent monthly warrant
 16 list, unless that taxpayer pays the tax, makes arrangements satisfactory
 17 to the department for the payment of the tax, or a release is issued
 18 under IC 6-8.1-8-2(k).

19 (d) The bureau of motor vehicles shall, before issuing the title to a
 20 motor vehicle under IC 9-17, determine whether the purchaser's or
 21 assignee's name is on the most recent monthly warrant list. If the
 22 purchaser's or assignee's name is on the list, the bureau shall enter as
 23 a lien on the title the name of the state as the lienholder unless the
 24 bureau has received notice from the commissioner under
 25 IC 6-8.1-8-2(k). The tax lien on the title:

26 (1) is subordinate to a perfected security interest (as defined and
 27 perfected in accordance with IC 26-1-9.1); and

28 (2) shall otherwise be treated in the same manner as other title
 29 liens.

30 (e) The commissioner is the custodian of all titles for which the state
 31 is the sole lienholder under this section. Upon receipt of the title by the
 32 department, the commissioner shall notify the owner of the
 33 department's receipt of the title.

34 (f) The department shall reimburse the bureau of motor vehicles for
 35 all costs incurred in carrying out this section.

36 (g) Notwithstanding IC 6-8.1-8, a person who is authorized to
 37 collect taxes, interest, or penalties on behalf of the department under
 38 IC 6-3 or IC 6-3.5 may not, except as provided in subsection (h) or (i),
 39 receive a fee for collecting the taxes, interest, or penalties if:

40 (1) the taxpayer pays the taxes, interest, or penalties as
 41 consideration for the release of a lien placed under subsection (d)
 42 on a motor vehicle title; or

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(2) the taxpayer has been denied a certificate or license under subsection (c) within sixty (60) days before the date the taxes, interest, or penalties are collected.

(h) In the case of a sheriff, subsection (g) does not apply if:

- (1) the sheriff collects the taxes, interest, or penalties within sixty (60) days after the date the sheriff receives the tax warrant; or
- (2) the sheriff collects the taxes, interest, or penalties through the sale or redemption, in a court proceeding, of a motor vehicle that has a lien placed on its title under subsection (d).

(i) In the case of a person other than a sheriff:

- (1) subsection (g)(2) does not apply if the person collects the taxes, interests, or penalties within sixty (60) days after the date the commissioner employs the person to make the collection; and
- (2) subsection (g)(1) does not apply if the person collects the taxes, interest, or penalties through the sale or redemption, in a court proceeding, of a motor vehicle that has a lien placed on its title under subsection (d).

(j) IC 5-14-3-4, IC 6-8.1-7-1, and any other law exempting information from disclosure by the department does not apply to this subsection. From the list prepared under subsection (a), the department shall compile each month a list of the taxpayers subject to tax warrants that:

- (1) were issued at least twenty-four (24) months before the date of the list; and
- (2) are for amounts that exceed one thousand dollars (\$1,000).

The list compiled under this subsection must identify each taxpayer liable for a warrant by name, address, and amount of tax. The department shall publish the list compiled under this subsection on accessIndiana (as defined in IC 5-21-1-1.5) and make the list available for public inspection and copying under IC 5-14-3. The department or an agent, employee, or officer of the department is immune from liability for the publication of information under this subsection.

(k) The department may not publish a list under subsection (j) that identifies a particular taxpayer unless at least two (2) weeks before the publication of the list the department sends notice to the taxpayer stating that the taxpayer:

- (1) is subject to a tax warrant that:
 - (A) was issued at least twenty-four (24) months before the date of the notice; and
 - (B) is for an amount that exceeds one thousand dollars (\$1,000); and
- (2) will be identified on a list to be published on accessIndiana

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1 unless a tax release is issued to the taxpayer under subsection (b).
 2 (l) The department may not publish a list under subsection (j) after
 3 June 30, 2006.

4 SECTION 3. IC 6-8.1-3-17 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Before an
 6 original tax appeal is filed with the tax court under IC 33-26, the
 7 commissioner may settle any tax liability dispute if a substantial doubt
 8 exists as to:

- 9 (1) the constitutionality of the tax under the Constitution of the
- 10 State of Indiana;
- 11 (2) the right to impose the tax;
- 12 (3) the correct amount of tax due;
- 13 (4) the collectibility of the tax; or
- 14 (5) whether the taxpayer is a resident or nonresident of Indiana.

15 (b) After an original tax appeal is filed with the tax court under
 16 IC 33-26, and notwithstanding IC 4-6-2-11, the commissioner may
 17 settle a tax liability dispute with an amount in contention of twenty-five
 18 thousand dollars (\$25,000) or less.

19 (c) Notwithstanding IC 6-8.1-7-1(a), the terms of a settlement under
 20 subsection (b) are available for public inspection.

21 **(d) A determination by the department that a delinquent tax**
 22 **liability is uncollectible shall not be treated as a settlement of any**
 23 **amount owed.**

24 SECTION 4. **An emergency is declared for this act.**

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